

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 2, 2024

Company name: HIRAKAWA HEWTECH CORP.
 Stock exchange listing: Tokyo
 Stock code: 5821 URL <https://www.hewtech.co.jp>
 Representative: CEO Yuichi Shino
 Inquiries: Accounting Div. Manager Kazuaki Hoshi TEL 03-3457-1400
 Scheduled date to file Quarterly Securities Report: February 13, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2023	22,347	(9.5)	1,327	(44.3)	1,630	(38.4)	830	(62.3)
Nine months ended December 31, 2022	24,694	15.3	2,381	38.0	2,645	54.4	2,201	79.5

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	59.11	–
Nine months ended December 31, 2022	156.70	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2023	44,970	35,566	79.1	2,531.69
As of March 31, 2023	44,269	34,134	77.1	2,429.61

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	–	14.00	–	22.00	36.00
Year ending March 31, 2024	–	18.00	–		
Year ending March 31, 2024 (Forecast)				18.00	36.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	29,600	(8.1)	1,850	(40.4)	2,160	(38.3)	1,350	(54.3)	96.10

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2023	17,627,800 shares	As of March 31, 2023	17,627,800 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	3,580,507 shares	As of March 31, 2023	3,580,463 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2023	14,047,312 shares	Nine months ended December 31, 2022	14,047,377 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	9,224	11,586
Notes and accounts receivable - trade, and contract assets	9,125	8,624
Securities	100	-
Merchandise and finished goods	2,843	2,444
Work in process	891	900
Raw materials and supplies	5,761	4,664
Other	508	435
Allowance for doubtful accounts	(3)	(15)
Total current assets	28,451	28,638
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,872	4,906
Machinery, equipment and vehicles, net	5,819	5,881
Land	885	890
Other, net	1,019	1,210
Total property, plant and equipment	12,597	12,888
Intangible assets	969	969
Investments and other assets	2,250	2,474
Total non-current assets	15,817	16,331
Total assets	44,269	44,970

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,859	1,446
Short-term borrowings	2,064	1,998
Income taxes payable	485	291
Provision for bonuses	75	136
Other	1,338	1,615
Total current liabilities	6,823	5,487
Non-current liabilities		
Long-term borrowings	1,171	1,789
Retirement benefit liability	2,040	1,897
Provision for retirement benefits for directors (and other officers)	47	49
Other	52	180
Total non-current liabilities	3,311	3,916
Total liabilities	10,134	9,404
Net assets		
Shareholders' equity		
Share capital	1,555	1,555
Capital surplus	1,459	1,459
Retained earnings	28,622	28,891
Treasury shares	(2,340)	(2,340)
Total shareholders' equity	29,296	29,565
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	648	834
Foreign currency translation adjustment	4,153	5,141
Remeasurements of defined benefit plans	31	22
Total accumulated other comprehensive income	4,832	5,998
Non-controlling interests	4	3
Total net assets	34,134	35,566
Total liabilities and net assets	44,269	44,970

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	24,694	22,347
Cost of sales	18,831	17,423
Gross profit	5,862	4,924
Selling, general and administrative expenses	3,480	3,597
Operating profit	2,381	1,327
Non-operating income		
Interest income	36	144
Dividend income	34	36
Foreign exchange gains	161	114
Other	70	74
Total non-operating income	303	370
Non-operating expenses		
Interest expenses	22	30
Loss on disposal of machinery and equipment	12	13
Other	5	24
Total non-operating expenses	40	67
Ordinary profit	2,645	1,630
Extraordinary income		
Gain on sale of non-current assets	564	–
Gain on sale of investment securities	3	29
Total extraordinary income	567	29
Extraordinary losses		
Loss on sale of investment securities	–	0
Provision of allowance for doubtful accounts	3	–
Reversal of foreign currency translation adjustment	144	–
Loss on litigation	–	261
Total extraordinary losses	148	262
Profit before income taxes	3,064	1,397
Income taxes - current	816	545
Income taxes - deferred	45	23
Total income taxes	862	568
Profit	2,201	828
Loss attributable to non-controlling interests	–	(1)
Profit attributable to owners of parent	2,201	830

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	2,201	828
Other comprehensive income		
Valuation difference on available-for-sale securities	(48)	185
Foreign currency translation adjustment	820	988
Remeasurements of defined benefit plans, net of tax	(8)	(9)
Total other comprehensive income	763	1,165
Comprehensive income	2,964	1,994
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,964	1,995
Comprehensive income attributable to non-controlling interests	0	(1)